

Message Text

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PAGE 01 MANILA 06463 140427Z

11

ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 CIAE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 CEA-01 STR-04 NEA-09 IO-10 /102 W

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P 140255Z MAY 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC RRORITY 3326

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USADB

PASS TREASURY FOR REX BEACH C/O ZINMAN (OASIA)

E.O. 11652: ADS, DECLAS 5/14/76

TAGS: EAID, EFIN

SUBJECT: ADB RECRUITMENT OF PROFESSIONAL STAFF

1. FOLLOWING LETTER DATED MAY 9, 1975 FROM JAY B. CARTER, DIRECTOR, PROJECTS DEPARTMENT II, ADB, CONCURRED IN BY DAVID FISHER, DIRECTOR, OPERATIONS DEPARTMENT, ADB, WAS DELIVERED TO YOUR OFFICE ON MAY 12. IN VIEW OF SUBJECT MATTER, LETTER IS BEING REPEATED VERBATIM AS IT MAY BE USEFUL TO YOU DURING UOUR CURRENT WASHINGTON CONSULTATIONS.

QUOTE

DEAR MR. BEACH:

THIS AFTERNOON IN A MEETING WITH PRESIDENT INOUE, DR. FISHER, DIRECTOR OF OPERATIONS DEPARTMENT, AND I OUTLINED THE SERIOUS POSITION WHICH WE BELIEVE
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PAGE 02 MANILA 06463 140427Z

THE BANK IS FACING WITH REGARD TO KEEPING AND

RECRUITING HIGH QUALITY INTERNATIONAL STAFF. THIS IS PARTICULARLY TRUE AT THE MID AND UPPER LEVELS IN OUR PROFESSIONAL GRADES. AS YOU KNOW, WE HAVE RECENTLY LOST SOME OF OUR BETTER PEOPLE AND THE PROSPECTS ARE THAT REMEDIAL ACTION CANNOT OR WILL NOT BE TAKEN BY THE MANAGEMENT AND THE BOARD WITH SUFFICIENT EXPEDIENCY TO PREVENT FURTHER LOSS OF KEY PEOPLE. DUE TO THE COST OF LIVING IN MANILA, THE MOST NOTABLE AND STAGGERING PART OF WHICH IS THE HOUSING RENTAL COSTS, RECENT BANK OFFERS OF EMPLOYMENT TO PROFESSIONAL IN EUROPE, AMERICA AND AUSTRALIA HAVE BEEN TURNED DOWN. THE NEED FOR CORRECTIVE ACTION IS GREAT AND PAST DUE. DR. FISHER AND I RECOMMENDED TO PRESIDENT INOUE THAT THE BANK ADOPT A POLICY SIMILAR TO THOSE OF OUR MEMBER COUNTRIES AND THAT THE BANK SHOULD TRY TO MATCH THE BENEFITS WHICH THE MEMBER COUNTRIES PROVIDE THEIR CIVIL SERVANTS POSTED TO MANILA. SPECIFICALLY, I RECOMMENDED THAT THE BANK ACQUIRE BY PURCHASE, LEASING OR RENTING, HOUSES WHICH WOULD BE PROVIDED TO THE PROFESSIONAL STAFF IN ADDITION TO THEIR SALARIES. REALIZING THAT THIS IS A TIME CONSUMING OPERATION, IT WAS RECOMMENDED THAT AN INTERIM MEASURE OF RELIEF BE PROVIDED IN THE FORM OF A HOUSING ALLOWANCE EQUIVALENT TO 25 PERCENT OF SALARY. DR. FISHER MENTIONED THE TYPE OF ARRANGEMENT USED BY HIS OWN GOVERNMENT (AUSTRALIA) WHICH IS VERY SIMILAR IN PRINCIPLE.

THE PRESIDENT CONCURRED THAT HOUSING IS ADMITTEDLY A SERIOUS PROBLEM AND IS BECOMING MORE AND MORE CRITICAL BUT SAID THAT HIS PAST EFFORTS HAD BEEN IRONICALLY PREVENTED BY THE VERY COUNTRIES OF THE STAFF WHO ARE MOST SORELY HIT BY THE FAST RISING MANILA HOUSING RENTS, THE U.S. AND AUSTRALIA. THE PRESIDENT SAID HE WOULD WELCOME THE ASSISTANCE OF DR. FISHER AND ME IN CONTACTING BOARD OF DIRECTORS MEMBERS AND SPECIFICALLY THE U.S. AND AUSTRALIAN MEMBERS TO SEEK THEIR COUNTRIES SUPPORT FOR ESTABLISHMENT OF A HOUSING ALLOWANCE. WITH THEIR COUNTRIES SUPPORT, HE SAID HE WOULD

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PAGE 03 MANILA 06463 140427Z

AGAIN APPROACH THE BOARD WITH A REQUEST FOR HOUSING ASSISTANCE FOR THE STAFF.

WITH THE U.S. PRESIDENTIAL EXECUTIVE ORDER 11552 OF AUGUST 1970 AND THE U.S. CIVIL SERVICE COMMISSION FEDERAL PERSONNEL MANUAL SYSTEM LETTER 352-3 OF OCTOBER 27, 1970 CLEARLY INDICATING THAT EMPLOYEES SERVING WITH INTERNATIONAL ORGANIZATIONS

SHOULD RECEIVE EQUITABLE BENEFITS IN COMPARISON TO
CIVIL SERVANTS POSTED IN THE AREA, WE SHOULD BE
ABLE TO COUNT ON THE U.S. GOVERNMENT SUPPORT ON
THIS ISSUE.

YOUR ASSISTANCE IN THIS CRITICAL MATTER IS
RESPECTFULLY REQUESTED.

SINCERELY,

JAY B. CARTER
DIRECTOR
PROJECTS DEPARTMENT II

I HAVE READ THIS LETTER AND CONCUR IN THE CONTENTS.

DAVID FISHER
DIRECTOR
OPERATIONS DEPARTMENT

END QUOTE

2. COPY OF SIMILAR LETTER FROM FISHER TO AUSTRALIAN
DIRECTOR BEING POUCHED MAY 14.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONNEL, PUBLIC CORRESPONDENCE
Control Number: n/a
Copy: SINGLE
Draft Date: 14 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA06463
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750168-0775
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750554/aaaabwkt.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUL 2003 by BoyleJA>; APPROVED <24 JUL 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADB RECRUITMENT OF PROFESSIONAL STAFF
TAGS: EAID, EFIN, RP, ADB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006